

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : **CRIMINAL NO. 08-_____**

v. : **DATE FILED: May 15, 2008**

ARTHUR JENKINS : **VIOLATIONS:**
: **18 U.S.C. § 1344 (bank fraud - 4 counts**
: **18 U.S.C. § 513 (uttering and passing**
: **counterfeit securities - 4 counts)**
: **18 U.S.C. § 2 (aiding and abetting)**
Notice of forfeiture

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Wachovia Bank (“Wachovia”) was a financial institution the deposits of which were insured by the Federal Deposit Insurance Corporation (“FDIC”), certificate number 6384.

2. The Philadelphia Contributionship Insurance (“PCI”) was a fire insurance company located in Philadelphia founded in 1752 by Benjamin Franklin.

3. From in or about March 2005 through in or about August 2005, defendant

ARTHUR JENKINS

knowingly executed and attempted to execute, and aided and abetted and wilfully caused the execution of, a scheme to defraud Wachovia and to obtain money owned by and under the care, custody and control of that bank by means of false and fraudulent pretenses, representations and

promises.

THE SCHEME

4. Defendant ARTHUR JENKINS claimed to offer loans to businessmen by providing them with checks in exchange for a fee. Defendant JENKINS instructed the businessmen to return approximately one-half of the face amount of the checks to defendant JENKINS. In fact, defendant JENKINS made no loans and the checks he supplied were fraudulent. After the businessmen deposited the fraudulent checks into their bank accounts and supplied a portion of the funds to defendant JENKINS, the fraudulent checks were dishonored. Through operation of this scheme, defendant JENKINS caused a loss of approximately \$98,000.

5. On or about March 23, 2005, defendant ARTHUR JENKINS met W.R., a person known to the grand jury who was employed as a minister, at a religious event. Defendant JENKINS told W.R. that he was a “bishop” and that he also worked as a loan broker for a company called the “Christian Financial Network.”

6. Several months after he met defendant ARTHUR JENKINS, W.R. contacted defendant JENKINS and asked him if W.R. could obtain a \$25,000 loan to pay for repairs at his church.

7. Defendant ARTHUR JENKINS assured W.R. that he could obtain a loan and explained the terms to W.R. Defendant JENKINS said that, upon receipt of the loan amount, W.R. would have to prepare three checks, in the amount of \$500 each, and give the checks to defendant JENKINS. The checks were to be made payable to names supplied by defendant JENKINS. Defendant JENKINS told W.R. that the checks represented loan repayments.

8. Defendant ARTHUR JENKINS provided a \$25,000 counterfeit check, drawn on the Wachovia account of PCI, to W.R. which W.R. deposited into W.R.'s church bank account. Two days after the deposit was made, W.R. was contacted by Wachovia and informed that the check was counterfeit and debited W.R.'s church bank account.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Bank of America (“BOA”) was a financial institution the deposits of which were insured by the FDIC, certificate number 3510.
2. Commerce Bank (“Commerce”) was a financial institution the deposits of which were insured by the FDIC, certificate number 21140.
3. Alcoa Construction Concrete Corporation (“Alcoa”) was a New Jersey corporation that provided concrete construction services, as a subcontractor, to general contractors involved in the construction of homes and other buildings.
4. From in or about July 2005 through in or about September 2005, defendant

ARTHUR JENKINS

knowingly executed and attempted to execute, and aided and abetted and wilfully caused the execution of, a scheme to defraud BOA and Commerce and to obtain money owned by and under the care, custody and control of these banks by means of false and fraudulent pretenses, representations and promises.

THE SCHEME

5. Paragraph 4 of Count 1 is incorporated by reference.
6. On or about July 26, 2005, in response to an advertisement that J.S., a construction contractor known to the grand jury, had placed in the Philadelphia *Inquirer* seeking a business loan, defendant ARTHUR JENKINS contacted J.S. by telephone. Defendant

JENKINS told J.S. that defendant JENKINS could obtain the loan that J.S. was seeking, but that J.S. would be required to pay an application fee of \$1,000.

7. Following their initial conversation, defendant ARTHUR JENKINS and J.S. met to discuss the terms and conditions of the loan. J.S. told defendant JENKINS that he wanted to borrow \$50,000 because he had been unable to obtain a conventional loan given his negative credit history. Defendant JENKINS assured J.S. that he could obtain an unsecured loan, but that J.S. would be required to pay an application fee of \$1,000.

8. Defendant ARTHUR JENKINS did not give J.S. a loan application to complete at the time that he accepted the \$1,000 fee, nor was J.S. ever asked to complete a loan application.

9. Defendant ARTHUR JENKINS asked J.S. for a copy of J.S.'s BOA bank statement and a deposit slip. Defendant JENKINS told J.S. that he needed the deposit slip to make the deposit of the loan check by electronic transmission.

10. Approximately a week after J.S. gave defendant JENKINS the \$1,000 fee, J.S. learned that a \$100,854 check had been deposited into his BOA business account. The loan check was drawn on the Commerce account of Alcoa. This check was more than double the requested loan amount.

11. As instructed, J.S. contacted defendant ARTHUR JENKINS and told him that the deposit had been made. As to the excess deposited funds, defendant JENKINS instructed J.S. to withdraw \$50,000 from the \$100,854 deposit and purchase four cashier's checks payable to individuals known to the grand jury, identified below by their initials, in the amounts listed below:

<u>Amount of Check</u>	<u>Payee</u>
\$12,500	S.B.
\$12,500	S.B.
\$14,000	M.K.
\$11,000	J.S.

12. Pursuant to the instruction of defendant ARTHUR JENKINS, J.S. converted the \$11,000 check to cash and gave the proceeds to defendant JENKINS. J.S. delivered the remaining checks to defendant JENKINS. Approximately 30 days after the \$100,854 check had been deposited in J.S.'s account at BOA, BOA informed J.S. that his account had been closed because the \$100,854 check was counterfeit. BOA lost approximately \$61,000 as a result of defendant JENKINS' scheme.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 4 of Count 1 and paragraphs 1 through 3 and 5 through 12 of Count 2 are incorporated by reference.

2. College Loan Corporation (“CLC”), a California corporation, provided educational loans to students in all 50 states and the District of Columbia.

3. From in or about July 2005 through in or about September 2005, defendant

ARTHUR JENKINS

knowingly executed and attempted to execute, and aided and abetted and wilfully caused the execution of, a scheme to defraud Wachovia and to obtain money owned by and under the care, custody and control of that bank by means of false and fraudulent pretenses, representations and promises.

THE SCHEME

4. In or about September 2005, following a complaint by J.S. to defendant ARTHUR JENKINS regarding BOA’s suspension of J.S.’s banking privileges, defendant JENKINS told J.S. that a problem had apparently occurred in connection with the first investor who supplied the check written on Alcoa’s account, but that he would obtain a second loan check for J.S. This second check was in the amount of \$150,000, drawn on the account of CLC, and was also counterfeit.

5. J.S. took the CLC check from defendant ARTHUR JENKINS and went to Wachovia to attempt to open a new business account because the CLC check was drawn on a

Wachovia account. J.S. completed an application to open a new account and gave the \$150,000 check to Wachovia.

6. Several days after he completed the application, Wachovia contacted J.S. and told him that the bank would not honor his request for a new account because the \$150,000 check that he gave the bank to open the account was counterfeit.

7. Having been given two counterfeit checks, coupled with the closing of his business bank account at BOA, J.S. attempted to contact defendant ARTHUR JENKINS to complain about the two counterfeit checks. J.S. was unable to establish contact with defendant JENKINS using the several phone numbers that the defendant had given him.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraph 4 of Count 1 and paragraph 2 of Count 2 are incorporated by reference.
2. PNC Bank was a financial institution the deposits of which were insured by the FDIC, certificate number 33869.
3. DuBell Lumber Company ("DLC") was a New Jersey company that provided building materials to contractors and home owners
4. From in or about July 2005 through in or about March 2006, defendant

ARTHUR JENKINS

knowingly executed and attempted to execute, and aided and abetted and wilfully caused the execution of, a scheme to defraud Commerce and PNC and to obtain money owned by and under the care, custody and control of these banks by means of false and fraudulent pretenses, representations and promises.

THE SCHEME

5. On or about September 26, 2005, defendant ARTHUR JENKINS met T.F., a person known to the grand jury. During their meeting, defendant JENKINS told T.F. that defendant JENKINS was a loan broker who specialized in the providing loans for individuals and organizations with marginal creditworthiness.

6. Several months after their initial meeting, T.F. contacted defendant

ARTHUR JENKINS and asked if he could obtain a loan of approximately \$40,000.

7. Defendant ARTHUR JENKINS assured T.F. that he could obtain the requested funds, but that the loan check would be issued in the amount of \$80,000, half of which T.F. would be required to give back to defendant JENKINS.

8. Defendant ARTHUR JENKINS obtained, and caused to be deposited into T.F.'s bank account at Commerce, a fraudulent check for approximately \$81,348 which had been drawn on a DLC PNC account.

9. After the check had been deposited in T.F.'s bank account, defendant ARTHUR JENKINS instructed T.F. to prepare five checks, drawn on T.F.'s account in the amounts listed below:

<u>Check Number</u>	<u>Check Amount</u>
#1013	\$9,500
#1014	\$9,500
#1016	\$2,000
#1017	\$5,000
#1020	\$5,000

10. Upon learning that \$80,000 had been withdrawn from its account, DLC contacted PNC and complained about the fraudulent withdrawal. PNC traced the withdrawal to a counterfeit check that had been posted against DLC's account.

11. Commerce suspended T.F.'s bank privileges and demanded repayment of funds that had been withdrawn from T.F.'s account based on the counterfeit \$81,348.33 check.

12. Working with Commerce investigators, T.F. attempted to contact defendant ARTHUR JENKINS by phone using several phone numbers given to him by

defendant JENKINS. Service had been terminated for each of the phone numbers.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT FIVE

THE GRAND JURY FURTHER CHARGES THAT:

On or about July 20, 2005 in the Eastern District of Pennsylvania, and elsewhere, defendant

ARTHUR JENKINS

with intent to deceive, knowingly made, uttered, and possessed, and aided and abetted and willfully caused the making, uttering, and possession of, a forged security of an organization that operates in and affecting interstate commerce, that is, defendant JENKINS transferred a counterfeit check drawn on Alcoa Construction Concrete Company's Commerce Bank account in the amount of \$100,854.

In violation of Title 18, United States Code, Section 513(a) and 2.

COUNT SIX

THE GRAND JURY FURTHER CHARGES THAT:

On or about August 25, 2005, in the Eastern District of Pennsylvania, and elsewhere, defendant

ARTHUR JENKINS

with intent to deceive, knowingly made, uttered, and possessed, and aided and abetted and willfully caused the making, uttering, and possession of, a forged security of an organization that operates in and affecting interstate commerce, that is, defendant JENKINS transferred a counterfeit check drawn on College Loan Corporation's Wachovia Bank account in the amount of \$150,000.

In violation of Title 18, United States Code, Section 513(a) and 2.

COUNT SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

On or about October 4, 2005, in the Eastern District of Pennsylvania, and elsewhere, defendant

ARTHUR JENKINS

with intent to deceive, knowingly made, uttered, and possessed, and aided and abetted and willfully caused the making, uttering, and possession of, a forged security of an organization that operates in and affecting interstate commerce, that is, defendant JENKINS transferred a counterfeit check drawn on The Philadelphia Contributionship Insurance's Wachovia Bank account in the amount of \$25,000.

In violation of Title 18, United States Code, Sections 513(a) and 2.

COUNT EIGHT

THE GRAND JURY FURTHER CHARGES THAT:

On or about March 17, 2006, in the Eastern District of Pennsylvania, and elsewhere, defendant

ARTHUR JENKINS

with intent to deceive, knowingly made, uttered, and possessed, and aided and abetted and willfully caused the making, uttering, and possession of, a forged security of an organization that operates in and affecting interstate commerce, that is, defendant JENKINS transferred a counterfeit check drawn on DuBell Lumber Company's PNC Bank account in the amount of \$81,348.

In violation of Title 18, United States Code, Sections 513(a) and 2.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1344, set forth in this indictment, defendant

ARTHUR JENKINS

shall forfeit to the United States any property that constitutes, or is derived from, proceeds obtained directly or indirectly from the commission of such offenses, including, but not limited to, the sum of \$ 98,000.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b),

incorporating 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

In violation of Title 18, United States Code, Section 982(a)(2).

A TRUE BILL:

GRAND JURY FOREPERSON

PATRICK L. MEEHAN
UNITED STATES ATTORNEY